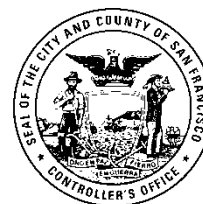


City and County of San Francisco

Office of the Controller – City Services Auditor

HUMAN SERVICES AGENCY:

**Oversight of Arriba Juntos Grants
Needs Improvement to Better
Ensure Delivery of Services**



August 24, 2016

**OFFICE OF THE CONTROLLER
CITY SERVICES AUDITOR**

The City Services Auditor (CSA) was created in the Office of the Controller through an amendment to the Charter of the City and County of San Francisco (City) that was approved by voters in November 2003. Charter Appendix F grants CSA broad authority to:

- Report on the level and effectiveness of San Francisco's public services and benchmark the City to other public agencies and jurisdictions.
- Conduct financial and performance audits of city departments, contractors, and functions to assess efficiency and effectiveness of processes and services.
- Operate a whistleblower hotline and website and investigate reports of waste, fraud, and abuse of city resources.
- Ensure the financial integrity and improve the overall performance and efficiency of city government.

CSA may conduct financial audits, attestation engagements, and performance audits. Financial audits address the financial integrity of both city departments and contractors and provide reasonable assurance about whether financial statements are presented fairly in all material aspects in conformity with generally accepted accounting principles. Attestation engagements examine, review, or perform procedures on a broad range of subjects such as internal controls; compliance with requirements of specified laws, regulations, rules, contracts, or grants; and the reliability of performance measures. Performance audits focus primarily on assessment of city services and processes, providing recommendations to improve department operations.

CSA conducts its audits in accordance with the Government Auditing Standards published by the U.S. Government Accountability Office (GAO). These standards require:

- Independence of audit staff and the audit organization.
- Objectivity of the auditors performing the work.
- Competent staff, including continuing professional education.
- Quality control procedures to provide reasonable assurance of compliance with the auditing standards.

For questions about the report, please contact Director of City Audits Tonia Lediju at Tonia.Lediju@sfgov.org or 415-554-5393 or CSA at 415-554-7469.

CSA Audit Team: Steve Flaherty, Audit Manager

Audit Consultants: Sjoberg Evashenk Consulting, Inc.



CITY AND COUNTY OF SAN FRANCISCO
OFFICE OF THE CONTROLLER

Ben Rosenfield
Controller

Todd Rydstrom
Deputy Controller

August 24, 2016

Human Services Commission
San Francisco Human Services Agency
170 Otis Street
San Francisco, CA 94103

Mr. Trent Rhorer
Executive Director
San Francisco Human Services Agency
1440 Harrison Street
San Francisco, CA 94103

Dear Commission President, Commission Members, and Mr. Rhorer:

The Office of the Controller's City Services Auditor Division (CSA) engaged Sjoberg Evashenk Consulting, Inc. (SEC) to audit the grant management practices of the Human Services Agency (HSA) of the City and County of San Francisco (City) related to Arriba Juntos, a nonprofit, community-based organization. Arriba Juntos is contracted by HSA to provide grant program services to the City's residents.

Reporting Period: July 1, 2014, through June 30, 2016

Results:

Arriba Juntos should ensure that its programs consistently meet performance goals, track program outreach and recruitment activities, and maintain sufficient, organized client records. For its part, HSA must enable increased and consistent communication among its staff and further develop its oversight and monitoring practices to include more in-depth, detailed program assessment activities.

CSA appreciates the assistance and cooperation of HSA and Arriba Juntos staff during the audit. For questions about the report, please contact me at Tonia.Lediju@sfgov.org or 415-554-5393 or CSA at 415-554-7469.

Respectfully,

A handwritten signature in black ink, appearing to read "Tonia Lediju".

Tonia Lediju
Director of City Audits

Attachment

cc: Board of Supervisors
Budget Analyst
Citizens Audit Review Board
City Attorney
Civil Grand Jury
Mayor
Public Library

City and County of San Francisco

Office of the Controller – City Services
Auditor

San Francisco Human Services Agency:
Oversight of Arriba Juntos Grants Needs
Improvement to Better Ensure Delivery of
Services

August 2, 2016



EXECUTIVE SUMMARY

Purpose of the Audit

The City Services Auditor (CSA) hired Sjoberg Evashenk Consulting, Inc., (SEC) to conduct a performance audit of the grant management practices of the Human Services Agency (HSA) of the City and County of San Francisco (City) related to Arriba Juntos, a nonprofit, community-based organization.

Highlights

HSA administers many grant programs, including those associated with addressing homelessness, health care, childcare and education, and job training and placement. Arriba Juntos is contracted by HSA to provide grant program services to the City's residents.

The audit objectives included determining whether Arriba Juntos properly administers the HSA grant, assessing the effectiveness of Arriba Juntos's grant-funded programs and evaluating the adequacy of HSA oversight and management of the grant-funded programs.

The audit found:

- Arriba Juntos's performance outcomes did not meet 67 percent of the goals for 2014-15.
- HSA is responsible for referring clients to Arriba Juntos; if insufficient clients are referred to Arriba Juntos or participants fail to enroll in the programs, enrollment goals cannot be met. Unfortunately, data related to the number of clients referred to Arriba Juntos is not tracked by HSA program managers.
- Arriba Juntos does not maintain a comprehensive listing of those included in the performance outcome numbers submitted to HSA, and auditor efforts towards identifying the individuals were difficult.
- Arriba Juntos staff does not consistently monitor client absences to identify clients needing to make up missed hours and does not consistently document when clients have come in to make up missed hours.
- HSA relies on self-reported monthly performance outcome information to determine Arriba Juntos's progress towards meeting its annual performance outcome goals and does not verify the underlying supporting data to validate the reported outcomes.

Recommendations

The report includes 11 recommendations to improve program efficiency and effectiveness. Key recommendations are that HSA should:

1. Require Arriba Juntos to track and maintain the names of each client identified as part of a performance outcome.
2. Conduct and document ongoing evaluations comparing reported performance outcomes to minimum performance goals.
3. Require Arriba Juntos to consistently monitor client attendance, identify missed hours, and track when clients make up hours.
4. Require Arriba Juntos to develop a centralized filing system for program documents.
5. Develop more rigorous annual program examinations to better substantiate the success of each program.

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INTRODUCTION

The City and County of San Francisco (City) Office of the Controller's City Services Auditor Division (CSA) asked Sjoberg Evashenk Consulting to conduct a performance audit of the grant management practices of the City's Human Services Agency (HSA). HSA administers many grant programs, including those associated with addressing homelessness, health care, childcare and education, and job training and placement. Many of these programs benefit low-income families, children, the elderly, veterans, and disabled individuals and are supported with federal, state, and local funding. Arriba Juntos is a nonprofit, community-based organization contracted by HSA to provide grant program services to the City's residents.

SCOPE & OBJECTIVES

The main objectives of this audit were to:

- Determine whether Arriba Juntos properly administered the HSA grant in accordance with applicable laws, regulations, guidelines, and terms and conditions of the grant awards.
- Assess the adequacy of HSA's management of Arriba Juntos grant agreements.
- Assess the effectiveness of Arriba Juntos grant-funded programs.

The scope of this grant compliance audit covered Fiscal Years 2010-11 through 2014-15.

METHODOLOGY

To achieve the objectives, the audit tasks and tests performed included:

- Identifying requirements regarding the administration of HSA's grant management activities.
- Identifying the universe of grants administered by HSA, understanding the purpose and objectives of each grant program, selecting a sample of grants and grant recipients to review in depth.
- For the selected grants/grant recipients:
 - Identified HSA employees involved in grant management activities, their roles and responsibilities, and interviewed each.
 - Reviewed the funding amounts, sources, and basis (program costs, performance, etc.) for the last five fiscal years.
 - Obtained an expenditure report for each grant and selected a sample of expenditures. Obtained documentation associated with the sample of expenditures to ensure compliance with the grant agreement.
 - Determined HSA processes to ensure all services funded by the grant agreement are effectively and efficiently provided by grantees, including performing a walk-through of all related processes and services.

- Reviewed related grant performance reports generated by the grantees.
- Evaluated HSA's ability to measure the performance and outcomes associated with the grant agreements and its ability to determine whether the outcomes met the objective of the grant. Focused on the most recent complete Fiscal Year, 2014-15.

STATEMENT OF AUDITING STANDARDS

We conducted this audit in accordance with generally accepted government auditing standards. These standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

AUDIT RESULTS

Arriba Juntos provides a variety of job readiness training, job placement, and education programs through multiple grant agreements with the City. HSA is tasked with the oversight and monitoring of each grant agreement program. While our observations of Arriba Juntos and HSA identified dedicated and enthusiastic staff, audit testing discovered multiple areas of potential program improvements. Program improvements include Arriba Juntos consistently meeting program performance goals, tracking program outreach and recruitment activities, and maintaining sufficient, organized client records. Similarly, areas of improvement related to HSA include increased and consistent communication among HSA staff and further developing its oversight and monitoring practices to include more in-depth, detailed program assessment activities. Specifically, this audit identified the following findings:

- Progress reports Arriba Juntos submitted indicate several performance goals were not met and reported outcome indicators could not always be validated.
- Arriba Juntos could better document its recruitment efforts associated with homeless programs.
- HSA's annual program monitoring efforts could be more rigorous.
- Better communication and collaboration among HSA staff could improve program efficiency and effectiveness.

Finding 1: Progress Reports Indicate Several Performance Goals Were Not Met and Reported Outcome Indicators Could Not Always Be Validated

The City has several agreements with Arriba Juntos to provide a variety of subsidized employment and educational services to San Francisco residents ("clients"). On behalf of HSA, Arriba Juntos provides these services through the eight programs listed in Table 1.

Table 1. Program Descriptions

Program Name	Brief Program Description	2014-15 Expenditures ¹
1. Individual Referral (IR)	Job Readiness Training	\$182,333
2. Community Jobs Program (CJP/CJP-1)	Job Readiness Training & Subsidized Temporary Employment	\$1,594,003
3. Youth Employment Program (YES)	Job Readiness Training	\$278,742
4. Clean Streets Program	Job Readiness Training & Subsidized Temporary Employment	\$111,078
5. Interrupt, Predict, and Organize (IPO) Program	Job Readiness Training & Subsidized Temporary Employment	\$101,015
6. Vocational English as a Second Language Immersion Program (VESL/VIP)	Job Readiness Training & Subsidized Temporary Employment	\$2,235,475 ²
7. Housing and Urban Development Homeless Employment Collaboration (HUD HEC)	Job Readiness Training	\$181,383
8. HomeWORC	Job Readiness Training	\$99,097

HSA Vocational Assessors meet with CalWORKs or PAES grant recipients (clients) to perform an initial evaluation of employability and ability to participate in HSA's employment programs. If the Vocational Assessors determine that a client is ready to participate in an employment program, they will make a recommendation to HSA's Employment Specialists regarding the type of employment program or activity that would best meet the client's needs. Employment Specialists formally assign clients to an employment program and establish contracts, called employment plans, detailing the specific requirements and plans intended to move the client from welfare to work. Participation in the employment programs allows clients to meet CalWORKs' work activity requirements.

¹ Per HSA expenditure reports.

² Includes \$305,430 in expenditures for "Rapid Response," a separate effort aimed at helping clients with CalWORKs public assistance grants quickly make up missing hours to meet requirements.

Each of these programs prescribe specific weekly work and/or job readiness training hour requirements for participants that are aimed at increasing the employability of the HSA client with an ultimate goal of placement in permanent, unsubsidized jobs. Job readiness training typically involves classes designed to improve clients' preparedness for entering the workforce, such as vocational career training, English language skills building, modern office skills training, interpersonal skills building, and barrier removal activities. Some of these programs also provide subsidized temporary employment work that typically involves assignment of clients to a nonprofit host site to gain marketable work experience. Some of these programs also help HSA's clients meet work participation requirements (employment hours) associated with their public benefit assistance grants.

With the exception of the Individual Referral program that is paid on a performance basis, Arriba Juntos is reimbursed for the costs associated with operating each of the programs; largely payments reimburse salaries for Arriba Juntos employees and some indirect costs. Arriba Juntos may pass through costs associated with subsidized employment wages for clients who are initially paid by Arriba Juntos. Based upon proposals submitted by Arriba Juntos for each program, and ultimately the final agreements, HSA establishes annual line-item budgets detailing the specific amounts that can be reimbursed, including approved positions and salaries.

Arriba Juntos Progress Reports Indicate Several Performance Goals Were Not Met

Agreements between HSA and Arriba Juntos for the administration of seven of the eight programs reflected in Table 1 include criteria for cost reimbursement and detail specific performance goals that must be achieved. Three of the key performance goals that generally cross each program relate to enrollment, completion, and placement activities. On a monthly basis, Arriba Juntos is required to submit progress reports to HSA detailing the progress made toward meeting performance goals.

We reviewed the performance outcomes submitted by Arriba Juntos for Fiscal Year 2014-15, which is the most recent complete year, to determine whether key performance goals were met. Table 2 reflects a comparison of the key performance goals (per contract agreements) and performance outcomes (per Arriba Juntos's submitted progress reports) of each of the seven agreements in Fiscal Year 2014-15.

Table 2. Fiscal Year 2014-15 Performance Goals and Outcomes³

	Enrollments			Completions			Placements		
Program Name	Goal	Outcome	Goal Met?	Goal	Outcome	Goal Met?	Goal	Outcome	Goal Met?
HUD HEC	69	45	N	N/A	N/A	N	37	22	N
HomeWORC	30	30	Y	24	22	N	11	17	Y
CJP	160	150	N	120	101	N	72	62	N
CJP-1 ⁴	250	254	Y	N/A	N/A	N/A	150	164	Y
YES	160	62	N	96	46	N	30	40	Y
VESL/VIP	80	93	Y	48	68	Y	41	31	N
IPO (Cohort #4)	N/A	N/A	N/A	10	7 ⁵	N	6	4 ³	N
Clean Streets	125	93	N	100	28	N	28	19	N

Source: June 30, 2015 program progress reports submitted by Arriba Juntos.

As illustrated in Table 2, Arriba Juntos had 21 enrollment, completion, and placement performance goals across the seven programs—"N/A" means that the particular program did not have an associated goal outlined in the agreement. While Arriba Juntos successfully met both of its performance goals for the CJP-1 program, when comparing performance results Arriba Juntos submitted to HSA against all 21 stated goals, we noted that Arriba Juntos's performance outcomes did not meet 67 percent (or 14 of 21) of the goals for 2014-15. It is important to note that while Arriba Juntos met its placement goal for the YES program, the placement goal was modest to begin with as it is set as a percentage of actual enrollments. Because Arriba Juntos did not meet its enrollment goal by a large margin, the corresponding target for placements was reduced. Furthermore, when looking at performance outcomes during several earlier years, we also found that Arriba Juntos similarly did not consistently meet its performance goals.

Because salaries and wages account for the vast majority of the costs to operate each program, we looked to see if staffing levels contributed to Arriba Juntos's inability to meet its performance goals in 2014-15. Specifically, we compared Arriba Juntos's 2014-15 budgeted staff salaries—the salaries of those employees directly providing program services, such as case management, instruction, etc.—to the actual amount of staff salaries expended. As illustrated in Table 3, we found three programs that spent close to

³ The Individual Referral grant agreement with Arriba Juntos does not include specific performance goals and therefore is not included in this comparison chart.

⁴ CJP and CJP-1 have separate performance goals for the same program, but are part of a single agreement.

⁵ Progress reports not submitted for FY 2014-15. Arriba Juntos provided supplemental information.

their entire salary budgets, while four programs significantly underspent their salary budgets, largely due to vacancies in key staff positions including job developer, case manager, instructor, and program coordinator.

Table 3. Budgeted versus Actual Program Salaries

Program Name	Budgeted Salary	Actual Salaries	Percent Difference
HUD HEC	\$102,840.00	\$101,516.00	-1%
HomeWORC	\$47,572.00	\$46,773.00	-2%
CJP (includes CJP1)	\$192,037.00	\$180,495.00	-6%
YES	\$146,728	\$131,536	-10%
VESL/VIP (includes Rapid Response)	\$201,520.00	\$166,740.00	-17%
IPO	\$38,405.00	\$27,521.00	-27%
Clean Streets	\$93,016.00	\$54,153.00	-42%

Interestingly, when comparing reported performance outcomes reflected in Table 2 to the salary analysis in Table 3, we were unable to establish a definitive link between Arriba Juntos's staffing levels and its ability to meet program goals. For example, the HUD HEC program closely utilized all of its budgeted salaries, but did not meet program goals, whereas the VESL/VIP program mostly met program goals while underspending its salary budget by 17 percent.

According to Arriba Juntos, staff vacancies do impact its ability to meet performance goals because Arriba Juntos encourages its employees, often previous clients who participated in the programs, to take advantage of external employment opportunities that can promote their individual professional growth, resulting in increased Arriba Juntos staff turnover. Additionally, Arriba Juntos believes that several contract goals need to be revised to reflect the current realities of providing program services, citing that HSA activities often have a direct impact on Arriba Juntos's ability to meet performance goals. For example, for several of the programs, HSA is responsible for referring clients to Arriba Juntos for program enrollment and, as previously described, some programs set completion and placement goals as a percentage of the enrollment goal. However, if insufficient clients are referred to Arriba Juntos or participants fail to enroll in the programs, enrollment goals cannot be met. Consequently, if enrollment goals are not met, Arriba Juntos would never have an opportunity to meet completion or placement goals.

Unfortunately, data related to the number of clients referred to Arriba Juntos is not tracked by HSA program managers. Thus, we could not determine the number of candidates referred to Arriba Juntos, assess the numbers failing to attend Arriba Juntos orientation, or determine whether too few referrals caused some of the noted issues

related to not meeting performance goals. Tracking and comparing referral data against enrollment data would also allow HSA and Arriba Juntos to assess client “fall out” rates for each program and determine the reasonableness of performance measures.

According to HSA, its focus has been on ensuring Arriba Juntos provides quality program services and has not concentrated heavily on monitoring whether specific performance goals are achieved. HSA stated that now that the programs are more established, a greater effort will be made to monitor Arriba Juntos’s progress towards meeting performance goals. Additionally, HSA agreed that the program agreements should be reviewed and potentially modified to ensure that performance goals align with HSA expectations and performance goals can be realistically achieved.

Outcome Indicators Reported to HSA Could Not Always Be Validated

As described earlier, Arriba Juntos provides a variety of subsidized employment and job readiness training services and is required to achieve specific annual performance goals—three key performance goals that generally cross all programs are associated with enrollment, completion, and placement activities. Arriba Juntos must report performance outcomes linked with these goals to HSA via monthly progress reports. To assess the general reliability of performance outcome information submitted to HSA, we tested completion and placement outcome data submitted during Fiscal Year 2014-15 associated with four of the seven programs reflected in Table 2. The four programs selected for testing were HUD HEC, HomeWORC, CJP, and Clean Streets.

Overall, the effort to verify the performance outcomes proved difficult for several reasons. First, Arriba Juntos does not maintain a comprehensive listing of the individuals included in the performance outcome numbers submitted to HSA. For example, we requested a listing of the names of the individuals that were counted in the placement performance outcomes associated with the CJP program. Arriba Juntos informed us that such a listing is not maintained; rather, to identify the 62 individuals would require us to 1) review each and every client file of individuals that participated in the program, 2) identify the documented outcome within each client file (i.e., completed program, attendance issues, placement, etc.), and 3) create the listing of all clients deemed a placement outcome in Fiscal Year 2014-15. Further complicating the process to create and verify reported performance outcome figures was the fact that Arriba Juntos client files are decentralized, making it difficult for staff to quickly locate all of the necessary client files that would be needed for such a review. Although we made initial attempts to recreate the placement outcome listing for CJP, this effort could not be reasonably accomplished by us. Therefore, we requested Arriba Juntos to take the steps needed to provide the completions and placement outcome information.

Once we obtained the requested completions and placement outcome details from Arriba Juntos, we tested a sample of clients reported as being a “completion” or a “placement” outcome to verify that documentation available in client files supports the outcome reported. For a performance measure to be deemed a “completion” or “placement” outcome, the following must occur:

- Completion—generally, clients must complete a specific number of education and/or subsidized work hours for a particular number of months. Arriba Juntos must demonstrate that clients complete the required education and/or work hours by submitting monthly time and attendance reports to HSA for each client. Clients

are also typically deemed a completion if they are placed in unsubsidized employment prior to finishing the full length of the program.

- Placement—generally, clients must be placed in permanent unsubsidized employment. Arriba Juntos must demonstrate evidence of the unsubsidized employment placements through a copy of a paycheck stub or an employment verification letter on business letterhead.

Completions Outcome Testing

Arriba Juntos attempted to provide listings of completion outcome information that corresponded with data submitted in the monthly progress reports; however, it was not always able to provide a complete listing for the four programs selected for review. Specifically, while Arriba Juntos was able to provide completions outcome data for the HomeWORC and CJP programs, it was unable to identify any clients who would have made up the 28 reported completion outcomes related to the Clean Streets program. For the two programs where completion outcome information was provided, testing revealed one of the programs properly counted each sampled client file as a completion outcome – either having met all required hours or having been placed in unsubsidized employment prior to finishing the full length of the program – and one did not. The review of the HomeWORC program discovered one client who remained in the program through to the program end date, but, the client had multiple absences throughout the duration of the program. Arriba Juntos could not provide records to demonstrate any of the missed hours were made up. The fourth program reviewed did not have performance goals associated with completion outcomes. Completion outcome testing results are reflected in Table 4.

Table 4. Completion Testing Results

Program Name	2014-15 Completion Outcomes	Number of Client Files Tested	Results
HUD HEC	N/A – no associated goal	N/A – no associated goal	N/A – no associated goal
HomeWORC	22	4	3 of 4 properly counted as a completion.
CJP	101	9	9 of 9 properly counted as a completion.
Clean Streets	28	N/A	Arriba Juntos was unable to identify any client files that comprised the completion outcome figure submitted to HSA.

Attainment of Required Participation Hours

Our audit work also revealed that Arriba Juntos lacks a comprehensive system to ensure clients complete the required number of training and/or work hours on an ongoing basis while they are still participating in the programs. To document attainment of the required participation hours for the training component of the programs, clients sign a daily attendance log maintained by Arriba Juntos and to document fulfillment of the required work hours, host sites (subsidized employers) submit weekly attendance reports to Arriba Juntos detailing the number of hours worked by the clients. Our testing revealed the following:

- HomeWORC—three of four client files tested were missing evidence of meeting required program training and/or work hours while the clients were in the program.
- CJP—four of nine client files tested were missing evidence of meeting required program training and/or work hours while the clients were in the program.

According to Arriba Juntos, while it reviews the daily attendance logs to accurately report monthly client attendance and absences to HSA, staff does not consistently monitor client absences to identify clients needing to make up missed hours and does not consistently document when clients have come in to make up missed hours.

Auditor observations noted instances where clients signed in and out of the attendance log at the beginning of the class period, undermining the attendance process to ensure participants attend an entire class session. Additionally, when looking through the historical attendance logs of one grant program, we observed daily sign-in logs that were blank or reflected clients that did not consistently sign in to the log. According to Arriba Juntos clients often attend class, but, they are reluctant or unwilling to sign the daily attendance logs. Attendees need to be accounted for—either Arriba Juntos must require attendees to sign in and out or the course instructor must verify attendance at the beginning and end of class.

We noted that one class instructor incorporated an effective attendance tracking practice. The instructor made the sign-in log available only at the very beginning of class to sign in and again at the end of class to sign out to ensure students were present the entire class period.

Further, Arriba Juntos practices do not include evaluating the client's total program attendance hours to determine whether the client met the minimum number of required hours prior to deeming completion of the program and submitting the outcome to HSA as a completion. For example, the VESL/VIP program requires Level 1 clients participate in 30 hours per week of English language courses for the duration of the six-month program. However, Arriba Juntos did not sum up and calculate a client's total classroom attendance hours when determining client completion status. Instead, once the appropriate calendar time has elapsed and the client successfully completes the applicable, required coursework, Arriba Juntos deems the program element complete without fully reviewing actual client attendance hours.

Program attendance is a significant component within each program agreement. This provision is illustrated by contract language requiring Arriba Juntos to ensure its clients

meet the specific minimum program participation hours assigned as negotiated with HSA. However, by not enforcing attendance log practices that ensure clients attended the full class session, not monitoring and following up with clients who need to make up hours after absences, and not evaluating actual total program attendance hours for each client at program end, clients may not realize the full extent of benefits afforded them, and Arriba Juntos may not be ensuring that clients appropriately achieve the standard for minimum program hours and program completion status.

Placements Outcome Testing

Similar to completions outcome testing, while Arriba Juntos attempted to provide listings of placement outcome information to correspond with data submitted in the monthly progress reports, it was not always able to provide a complete listing. For example, Arriba Juntos successfully identified the clients reported as placement outcomes for the HUD HEC, HomeWORC, and CJP programs. However, Arriba Juntos could only identify six of the clients who made up the 19 placement outcomes reported for the Clean Streets program for the period reviewed.

Our testing of placement outcomes, as reflected in Table 5, revealed that for two of the four programs reviewed, HUD HEC and HomeWORC, Arriba Juntos provided proper counts for each program and each client file reviewed showed appropriate evidence of an unsubsidized employment placement outcome.

Our testing relating to the CJP program showed that three of the 50 client files identified as unsubsidized employment placements were missing evidence of employment verification and one client placed into the Rapid Response program was erroneously identified as a placement. In regard to the Rapid Response placement, Arriba Juntos indicated that HSA will occasionally approve a placement outcome credit for clients removed from CJP by HSA and then placed into the Rapid Response program, which is aimed at assisting individuals who are not actively engaged and are missing required work participation hours. Nonetheless, placements into this program would not qualify as an unsubsidized placement outcome under the definitions in the contract agreement. HSA agreed that allowing placements into Rapid Response to count as placement outcomes is not in line with the criteria detailed in the grant agreement.

In regard to the Clean Streets program, while all six client files reviewed included evidence of employment verification, the employment verification support for one client indicated that the client's hire date was two days prior to enrollment into the Clean Streets program. Since the client obtained employment prior to enrolling in and receiving Clean Streets program services, this client should not have qualified as a placement credit for the Clean Streets program.

Table 5. Placement Testing Results

Program Name	2014-15 Placements Outcomes	Number of Client Files Tested	Results
HUD HEC	22	5	5 of 5 demonstrated evidence of placement.
HomeWORC	17	3	3 of 3 demonstrated evidence of placement.
CJP	62	50	4 of 50 missing evidence of applicable employment.
Clean Streets	19	6	1 of 6 missing evidence of applicable employment.

While the audit found that employment verification documentation was not always present in client files, it is important to note some of the challenges Arriba Juntos faces with obtaining such documentation. Specifically, according to Arriba Juntos, once clients obtain permanent employment and exit the programs, clients may not respond to communications from Arriba Juntos requesting employment verification support. Furthermore, when Arriba Juntos contacts employers directly to obtain the information, some employers are unwilling to complete an employment verification letter, or employers utilize a service that charges Arriba Juntos a fee for providing employment verification information. Nonetheless, even with such obstacles, program grant agreements clearly require evidence demonstrating that clients successfully obtain permanent employment in the form of a pay stub or employment verification letter.

We also noted that when Arriba Juntos successfully obtains a paystub for employment verification purposes, such documentation does not generally indicate the employee's hire date. Without obtaining evidence of the employee's hire date, the employment verification support may not demonstrate the appropriateness of deeming an individual as a placement outcome, such as identifying instances where clients started their unsubsidized job before enrollment into one of the grant programs.

Recommendations

The Human Services Agency should:

1. Require Arriba Juntos to track and maintain the names of each client identified as a performance outcome on monthly performance reports submitted to HSA for each grant program, such as enrollment, completion, and placement outcomes.
2. Conduct ongoing evaluations comparing reported performance outcomes to minimum performance goals detailed in each program agreement to monitor Arriba Juntos's progress towards meeting performance goals. Document and discuss results with Arriba Juntos and determine appropriate follow-up.

3. On at least an annual basis, obtain a detailed listing of referrals sent to each program by applicable HSA Eligibility Workers, Employment Specialists, or other staff authorized to refer clients into grant programs. Detailed referral information should include the name of the person referred, program referred to, and referral date. Track and assess individual program referrals to the individual program goals, calculate fall out rates for each program, and evaluate the reasonableness of performance measures. Periodically discuss results with Arriba Juntos.
4. Periodically review program agreements to ensure performance goals align with HSA expectations and performance goals may be realistically achieved. Update agreements as required to reflect current needs and objectives.
5. Ensure Arriba Juntos consistently monitors client absences to identify clients needing to make up missed hours, develop a mechanism to record and track when clients make up missing attendance hours, evaluate each client's total program attendance hours to determine program progress towards meeting minimum hour requirements, and incorporate oversight and monitoring practices that reinforce existing attendance log procedures to ensure logs are filled out as intended.
6. Require Arriba Juntos to develop a centralized filing system for program documents. Client files, program monitoring and tracking reports, attendance logs, and other applicable program documents should be maintained in a central location to prevent any changes in program staff from impeding access to current and historical client records.
7. Ensure Arriba Juntos incorporates a process for consistently verifying that sufficient documentation that supports reported performance outcomes has been obtained and placed in client files.

Finding 2: Arriba Juntos Could Better Document Its Recruitment Efforts Associated With Homeless Programs

For six of the programs reflected in Table 1, HSA is responsible for determining individuals' eligibility to participate and referring individuals to Arriba Juntos for enrollment. Conversely, for two programs, HomeWORC and HUD HEC, which are aimed at providing training to the homeless community, individual program eligibility is determined by Arriba Juntos as part of its recruitment activities; HSA does not refer individuals to these two programs. However, since HomeWORC participants must be homeless and receiving public assistance to be eligible to participate, their eligibility status is jointly confirmed by HSA (public assistance verification) and Arriba Juntos (homelessness certification verification).

The only training program for which HSA does not have a direct role in determining or confirming participation eligibility is the HUD HEC program as eligibility for this program is determined solely by Arriba Juntos. As homelessness is the only eligibility criterion, program participants are not required to provide any personal identification; rather, participants need only provide certain documents determined to be a homeless certification that is in line with federal homeless self-certification requirements. While the need to demonstrate personal identity is significant in the other programs reviewed, such as those in which clients receive wages or public assistance and need to prove their

identity for tax or benefit eligibility purposes, the HUD HEC program offers job readiness training and job placement services.

As part of these program services, Arriba Juntos also provides participants with barrier removal services, such as helping participants to obtain a State identification card or to register for and obtain a copy of their social security card as part of assisting clients in job placement.

Homeless Certification Testing Results

Since Arriba Juntos is responsible for documenting eligibility for the HUD HEC and HomeWORC programs, we reviewed the homeless certification documentation on file for participants in these programs. Specifically, each program includes a requirement that participants provide homeless certification, which may be in the form of a letter from a homeless shelter or a written and signed statement from the client. We identified 45 HUD HEC and 30 HomeWORC program participants enrolled in FY 2014-15, of which we selected 10 HUD HEC and three HomeWORC client files for detailed review of homeless certification. In all cases, client files contained appropriate evidence of homeless certification through a letter from a homeless shelter or a written and signed statement from the client.

Homeless Programs Recruitment Efforts

Since Arriba Juntos is solely responsible for determining program eligibility and recruiting participants for the HUD HEC program, it is imperative that Arriba Juntos document its efforts to reach the program's target population. According to the HUD HEC contract agreement, Arriba Juntos's outreach efforts should target homeless populations included in the following four groups:

- Veterans
- Disabled individuals
- Ex-offenders
- Parents with children

According to Arriba Juntos, its outreach efforts include visiting local homeless shelters and community events targeted to the homeless population to recruit potential program participants. Beginning in 2015, Arriba Juntos began implementing some tracking and reporting practices of its outreach activities, including identifying the organization or community event attended, the date of event or outreach activity, and the names of clients referred resulting from the outreach activities. However, in reviewing the outreach tracking spreadsheets and reports maintained by Arriba Juntos, we identified instances where this information was not consistently captured and recorded.

While Arriba Juntos consistently tracks the ethnicity and gender of its participants, it does not consistently track and evaluate the types of data that would allow HSA to measure Arriba Juntos's success in reaching the target population. Incorporating a formal method for tracking its outreach efforts that is consistently utilized by Arriba Juntos staff would allow Arriba Juntos to improve upon its current efforts to fully demonstrate and measure its homeless outreach efforts to the target population, as well as allow HSA to assess the effectiveness of the outreach efforts. While the other

program aimed at helping the homeless community, HomeWORC, does not target specific segments of the homeless population (such as veterans, disabled individuals, etc.) as the HUD HEC program does, Arriba Juntos is also responsible for recruitment efforts for HomeWORC and should consider incorporating similar improvements to its recruitment tracking strategies for this program as well.

Recommendation

The Human Services Agency should:

8. Require Arriba Juntos to incorporate a formal method for tracking its outreach efforts, including outreach frequency and the names of organizations or community events visited, and broaden the demographic information captured from each client to include data that would demonstrate outreach efforts made to target populations listed in program agreements.

Finding 3: HSA Annual Program Monitoring Efforts Could Be More Rigorous

HSA program management staff conducts annual monitoring reviews of each contracted Arriba Juntos program. The purpose of these reviews is for HSA to determine whether Arriba Juntos is delivering the agreed-upon services and to evaluate Arriba Juntos's progress towards meeting annual outcome goal requirements. Key review activities include conducting site visits to the Arriba Juntos offices, interviewing Arriba Juntos contract management staff, reviewing client files, and assessing performance data.

According to Arriba Juntos, HSA staff typically spends from a few hours up to one full work day on site conducting each program review. In reviewing Programmatic Monitoring Reports prepared by HSA staff during Fiscal Year 2014-15 to delineate review findings, we found that HSA reviewed five of the eight programs listed in Table 1—there were no reports for the Individual Referral, IPO, or Clean Streets programs. For the five programs reviewed, the reports indicated that generally HSA found that Arriba Juntos effectively provided the services required in the agreements and mostly met or was on track with meeting performance outcomes. However, several findings described in this audit suggest that HSA's monitoring efforts could include more rigorous examinations of Arriba Juntos program activities.

For example, HSA relies on Arriba Juntos's self-reported monthly performance outcome information to determine Arriba Juntos's progress towards meeting its annual performance outcome goals. However, HSA does not include in its annual monitoring review an independent verification of the underlying support to validate the reported outcomes. As noted earlier in this report, auditors attempted to verify Arriba Juntos's reported Fiscal Year 2014-15 completion and placement outcomes, but were generally unable to do so due to the lack of available comprehensive information. Had HSA attempted similar verification efforts as part of its annual monitoring reviews, it would likely have found similar issues with validating outcome data reported by Arriba Juntos.

Additionally, HSA conducts its assessment based on files selected by Arriba Juntos rather than HSA controlling which client files are reviewed. By allowing Arriba Juntos to

determine which files are examined, HSA cannot verify the universe of client files or the completeness of recordkeeping for the program year under review and may miss the opportunity to identify missing files or assess inadequate files. A more rigorous review approach would have HSA obtain a list of all program participants (the universe of client files for a program), select a sample of files to review from the universe, and request that Arriba Juntos provide those specific files to be examined. Moreover, HSA could generate a universe of client files from enrollment, completion, and placement outcome information associated with monthly progress reports submitted by Arriba Juntos and compare the lists. This could occur if recommendations outlined in this report are implemented directing Arriba Juntos to maintain complete listings of individuals associated with the outcome data in the progress reports.

Finally, the annual reviews did not appear to incorporate a critical review of program facilities, which may provide additional insight into the quality of program services and administration. For example, during our walk-through of Arriba Juntos classrooms, we identified a risk related to clients undermining the accuracy of attendance sign-in logs by signing in and out for the full class day at the beginning of class. While HSA's monitoring efforts may have involved this type of review, the 2014-15 Programmatic Monitoring Reports did not address this topic.

By incorporating more rigorous examinations of Arriba Juntos program activities, including validating the accuracy of reported program outcomes and evaluating Arriba Juntos's overall program administration, HSA will be able to better substantiate the success of the grant programs administered by Arriba Juntos. HSA should also ensure each program is evaluated on an annual basis.

Recommendation

The Human Services Agency should:

9. Develop more rigorous annual program examinations to better substantiate the success of each program. Annual program examinations should include validating the accuracy of reported program outcomes, evaluating overall program administration, and conducting walkthroughs of program facilities.

Finding 4: Better Communication and Collaboration Among HSA Staff Could Improve Program Efficiency and Effectiveness

HSA has not established a consistent link between the number of clients referred by HSA to the employment and training programs administered by Arriba Juntos and the budget available to provide program services for most programs. There are four key types of HSA staff that are involved with the employment and training programs administered by Arriba Juntos and are responsible for the following associated activities:

- Employment Specialist— Conducts client assessments, establishes client specific requirements, and refers clients for enrollment into specific programs.

- Program Managers— Liaison between Arriba Juntos and HSA. Primarily tasked with oversight and monitoring of Arriba Juntos program activities and performance.
- Contract Staff—Establishes and monitors the annual budget for each Arriba Juntos grant program.
- Fiscal Staff— Receives, reviews, and approves monthly reimbursement invoices from Arriba Juntos.

We found a lack of critical communication among these key HSA staff and inadequate collaboration when monitoring the available budget and determining capacity for client referrals into programs. For example, with the YES program, Employment Specialists refer clients directly to Arriba Juntos to enroll clients into the various programs. However, Employment Specialists do not always work with the other HSA staff to ensure sufficient program funding is available when referring clients. As a result, in this instance nearly the entire Fiscal Year 2015-16 program budget for the YES program was consumed midway through the program year causing all new referrals to the program to cease. Conversely, the HSA program manager overseeing the Individual Referral program requires that Employment Specialists notify and receive signed approval that sufficient budget is available before referring clients to Arriba Juntos for enrollment in that program.

Additionally, we found that HSA Program Managers are not involved in reviewing monthly invoices submitted by Arriba Juntos. Rather, HSA fiscal staff receives, reviews, and approves all reimbursement invoice requests from Arriba Juntos. Although assigned fiscal staff conducts line-item comparisons between the approved program budget and the reimbursement invoices to determine the allowability of invoice payment, fiscal staff does not consult with Program Managers to inquire on Arriba Juntos's appropriate program performance prior to approving invoices for payment. Consequently, invoices may be approved for payment when Arriba Juntos has not maintained sufficient progress towards its performance outcome goals.

Recommendations

The Human Services Agency should:

10. Ensure that its Employment Specialists communicate with other HSA staff to confirm sufficient program funding is available prior to referring clients to various programs.
11. Incorporate invoice reviews by Program Managers, in addition to Fiscal staff, to ensure appropriate performance achievement by Arriba Juntos prior to invoice approval and payment.

ATTACHMENT: DEPARTMENT AND CONTRACTOR RESPONSES

City and County of San Francisco



Edwin M. Lee, Mayor

Human Services Agency

Department of Human Services
Department of Aging and Adult Services

Trent Rhorer, Executive Director

July 25, 2016

Tonia Lediju, Director of City Audits
City Hall, Room 476
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

SUBJECT: SF CSA HSA Arriba Juntos Audit response and Recommendation
and Response

Dear Ms. Lediju,

Thank you for providing us the opportunity to review your findings and respond to the recommendations related to the compliance audit of the San Francisco Human Services contracts with Arriba Juntos.

Attached is the requested Recommendation and Response form. SF HSA concurs with 9 of the 11 Recommendations and partially concurs with 2 of the recommendations. HSA is providing a Response for all 11 Recommendations and has either implemented, or is in the process of implementing the specific actions detailed in the responses. We appreciate the thorough review and are satisfied with the overall statement: "San Francisco Human Services Agency: Oversight of Arriba Juntos Grants Needs Improvement to Better Ensure Delivery of Services."

If you have any questions or need additional information, please contact Candace Gray at 415-557-6546.

Sincerely,

A handwritten signature in black ink, appearing to read "Daniel B. Kaplan".

Daniel B. Kaplan
Deputy Director for Finance and Administration

Cc: Trent Rhorer
Noelle Simmons
Tony Lugo
Bill Wedemeyer
John Tsutakawa
Candace Gray
Mashariki Lawson

P.O. Box 7988, San Francisco, CA 94120-7988 • (415) 557-5000 • www.sfhsa.org/

**City Services Auditor Division
Recommendation and Response Form**

Audit Subject: Arriba Juntos

For each recommendation, the Human Services Agency should indicate whether it concurs, does not concur, or partially concurs. If the Human Services Agency concurs with the recommendation, it should indicate the expected implementation date and implementation plan. If the Human Services Agency does not concur or partially concurs, it should provide an explanation and an alternate plan of action to address the identified issue.

Recommendation	Response
<p>The Human Services Agency should:</p> <ol style="list-style-type: none"> 1. Require Arriba Juntos to track and maintain the names of each client identified as a performance outcome on monthly performance reports submitted to HSA for each grant program, such as enrollment, completion, and placement outcomes. 	<p>HSA concurs. Arriba Juntos has begun collecting and tracking monthly individual client data which is represented in the monthly reports for all of their contracts beginning on 7/1/2016. HSA will be sent the individual client detail report on a monthly basis with the summary report to review and compare with HSA records.</p>
<ol style="list-style-type: none"> 2. Conduct ongoing evaluations comparing reported performance outcomes to minimum performance goals detailed in each program agreement to monitor Arriba Juntos's progress towards meeting performance goals. Document and discuss results with Arriba Juntos and determine appropriate follow-up. 	<p>HSA concurs: HSA will continue to monitor the monthly reports comparing outcomes to performance goals, and will meet and discuss with Arriba Juntos on an as-needed basis, with a minimum of an annual meeting to review progress in meeting annual goals. HSA will meet with Arriba Juntos in August, 2016 to begin this process and review and follow up on the results of the evaluation.</p>

City and County of San Francisco, Office of the Controller – City Services Auditor Division

**City Services Auditor Division
Recommendation and Response Form**

Recommendation	Response
3. On at least an annual basis, obtain a detailed listing of referrals sent to each program by applicable HSA Eligibility Workers, Employment Specialists, or other staff authorized to refer clients into grant programs. Detailed referral information should include the name of the person referred, program referred to, and referral date. Track and assess individual program referrals to the individual program goals, calculate fall out rates for each program, and evaluate the reasonableness of performance measures. Periodically discuss results with Arriba Juntos.	HSA concurs: HSA will create a system for tracking referrals from HSA into the contracted services more consistently. This data will be maintained in the Client Tracking Database. HSA will discuss concerns regarding the reasonableness of the performance measures with Arriba Juntos, and will continue to give monthly feedback, as needed.
4. Periodically review program agreements to ensure performance goals align with HSA expectations and performance goals may be realistically achieved. Update agreements as required to reflect current needs and objectives.	HSA concurs. HSA will track and review performance goals on a monthly basis, discuss with Arriba Juntos if there are concerns about the practicality of the objectives, and modify them, as needed, on an annual basis. Begin August, 2016.
5. Ensure Arriba Juntos consistently monitors client absences to identify clients needing to make up missed hours, develop a mechanism to record and track when clients make up missing attendance hours, evaluate each client's total program attendance hours to determine program progress towards meeting minimum hour requirements, and incorporate oversight and monitoring practices that reinforce existing attendance log procedures to ensure logs are filled out as intended.	HSA concurs: HSA will monitor monthly each participant's required hours of participation for the month in contracts requiring Work Participation hours. Individual case files and the attendance log procedures will be reviewed for this documentation in the monitoring visits in July/August 2016, and ongoing.
6. Require Arriba Juntos to develop a centralized filing system for program documents. Client files, program monitoring and tracking reports, attendance logs, and other applicable program documents should be maintained in a central location to prevent any changes in program staff from impeding access to current and historical client records.	HSA concurs: HSA will require a centralized filing system for program documents and consistent organization of both the current and historical records for easy access and will review progress in the monitoring visits in July/August 2016.

City and County of San Francisco, Office of the Controller – City Services Auditor Division

**City Services Auditor Division
Recommendation and Response Form**

Recommendation	Response
7. Ensure Arriba Juntos incorporates a process for consistently verifying that sufficient documentation that supports reported performance outcomes has been obtained and placed in client files.	HSA concurs: HSA will conduct a more extensive review of the client files in a random selection process in the annual reviews beginning August, 2016.
8. Require Arriba Juntos to incorporate a formal method for tracking its outreach efforts, including outreach frequency and the names of organizations or community events visited, and broaden the demographic information captured from each client to include data that would demonstrate outreach efforts made to target populations listed in program agreements.	HSA partially concurs: Arriba Juntos will document the dates and events of the organizations and events attended to enroll participants. HSA will update the contract language specifically for the HEC contract to clarify the service population for Arriba Juntos among the 9 partners in the contract.
9. Develop more rigorous annual program examinations to better substantiate the success of each program. Annual program examinations should include validating the accuracy of reported program outcomes, evaluating overall program administration, and conducting walkthroughs of program facilities.	HSA concurs: Formal training for contract staff was implemented this year and will include a module on monitoring contracts. This issue will also be addressed in the quarterly WTW Contracts staff meetings along with a review of current monitoring practices, informal training, and monitoring shadowing pairing more experienced staff with those less experienced.
10. Ensure that its Employment Specialists communicate with other HSA staff to confirm sufficient program funding is available prior to referring clients to various programs.	HSA partially concurs; Employment Specialists are not part of this process. The HSA Contract Manager and Program Monitor will set up a system for both to monitor the available program funding and expenditures to ensure appropriate invoicing and expenditure patterns. Begin August, 2016

City and County of San Francisco, Office of the Controller – City Services Auditor Division

**City Services Auditor Division
Recommendation and Response Form**

Recommendation	Response
11. Incorporate invoice reviews by Program Managers, in addition to Fiscal staff, to ensure appropriate performance achievement by Arriba Juntos prior to invoice approval and payment.	HSA concurs: The HSA Program Monitor will review the outcomes in the Reporting section of the Contract Administration, Reporting and Billing Online (CARBON) system to ensure appropriate performance achievement prior to approval and payment. This system sends electronic notices to both the Contract Manager and Program Monitor for the contract when invoices or reports are received each month. This will ensure that the two staff work together to review and monitor spending trends and funding availability, and, as necessary, confirm payment of the invoice.

City and County of San Francisco, Office of the Controller – City Services Auditor Division



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August 1, 2016

Ms. Tonia Lediju
Director of the City Audit Division
City Hall, Room 476
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

Subject: SF- CSA- HSA- Arriba Juntos Audit

Dear Ms. Lediju,

In response of your letter dated February 17, 2016. Thank you for giving us the opportunity to review your recommendations.

Arriba Juntos concurs with your recommendations, and will be working with the Human Services Agency on such recommendations. Also, AJ will work with the HSA in identifying funding to build centralized data base/track clients activities to fulfill this objective. We are meeting often to ensure client delivery of services is in compliance.

If you have any questions, please contact Nenette Tabernilla at 415-551-1966.

Sincerely,

A handwritten signature in blue ink that reads "Dalila Ahumada".

Dalila Ahumada
AJ Executive Director

An Organization for Business, Education and Community Advancement